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WaterLine

A publication about Ontario's water and wastewater industry.

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Canadians in-the-dark about the need for water/wastewater infrastructure investment

RBC has just released the findings of its annual Canadian Water Attitudes Study and the results, particularly with respect to water and wastewater infrastructure, may come as a surprise to municipal leaders.

The survey of 2,428 adults from across Canada found that the vast majority (88 per cent) of Canadians are confident in the safety and quality of Canada's drinking water. At the same time, more than 80 per cent of respondents felt there was no need for major investment in their community's drinking water or wastewater facilities, which they believe to be in good condition. In reality, recent estimates suggest much-needed investments in Canada's water and wastewater infrastructure would cost roughly $88 billion.

More than three-quarters of respondents said the municipal water supply was their main source of water. However, one-third of Canadians who use municipal water said they were not very aware of the condition of the water or wastewater infrastructure serving their home.

The bottom line is that while Canadians appear to be confident in fresh water as a lasting resource, there seems to be a misunderstanding of the potential impact that inconsistent infrastructure maintenance can have on the supply, quality and cost of water in Canada.

2012 marks the fifth annual Canadian Water Attitudes Study by RBC as part of the bank's Blue Water Project, a 10-year, $50 million project aimed at helping protect and preserve the world's freshwater resources.

To read more about the RBC Blue Water Project, click here.

The five water habits that drive Canadians crazy

According to the *2012 RBC Canadian Water Attitudes Study*, the following are the five things that upset Canadians most about how their neighbours use water:

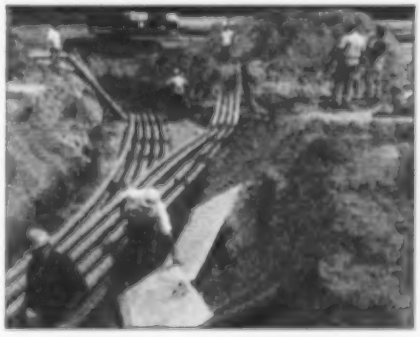
- **48%** Watering the lawn when it just rained or is about to rain
- **29%** Flushing items down the toilet that should be disposed in another manner
- **24%** Hosing down the driveway
- **19%** Leaving a faucet running in a public place
- **18%** Using soap or shampoo to bathe in a lake

New partnership using technology to address Ontario's infrastructure issues

A newly-announced public-private partnership is looking to tackle Ontario's pressing infrastructure challenges through use of advanced technology.

The partnership, which was announced in mid-April, is made up of players including IBM, the governments of Canada and Ontario and a consortium of seven universities that, together, are investing $210 million to form a new research and development innovation network in Ontario that will create 145 new highly-skilled jobs.

As part of the initiative, IBM is investing up to $175 million through December 2014 to help drive information and communication technology products and services to generate increased innovation and cost savings in infrastructure planning and execution. The Government of Canada is also contributing $20 million toward computing resources.



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Good Corporate Citizens Making Communities Stronger

Providing clean water to the people of Ontario... and now beyond

OCWA has always been a proud supporter of community events within the areas we operate. Last year, striving to be more strategic in our approach to social responsibility, OCWA formed a Social Responsibility Team (SRT) with representation from across the Agency. After receiving input from a number of our stakeholders, the SRT identified five key areas of focus for 2012: Community Support, Education and Awareness, Environmental Sustainability, Employee Engagement and Innovation.

One of OCWA's goals for 2012 is to align ourselves with a charitable organization that supports our vision of being a world leader in water. We believe OCWA has the ability to play an important role in the global community by supporting innovative and sustainable solutions for water treatment, including access to clean water and sanitation. We've already been providing clean water services to the people of Ontario for over 15 years, but now we'd like to step beyond our border and help provide clean water to those in need around the world. This is why OCWA has decided to support the charitable organization, GlobalMedic.

GlobalMedic is a Canadian charity that provides emergency relief to those affected by natural disasters and complex emergencies, with the goal of helping those in need around the world by providing disaster relief and clean drinking water solutions.

On March 22nd, to celebrate World Water Day, OCWA made a $5,000 donation to GlobalMedic to aid in their quest for providing clean drinking water and to kickstart our fundraising efforts.

We will continue to support the efforts of GlobalMedic with fundraising events throughout the year and we invite all of our clients, partners and industry friends to make a donation to this worthy cause. Please visit www.globalmedic.ca and click on "CLICK HERE TO DONATE NOW." If donating over the web "OPTION 2", please ensure you select Ontario Clean Water Agency from the pull-down menu (Fund/Designation) in order to support our campaign.

Stay tuned for more information on our GlobalMedic fundraising campaign and other social responsibility efforts throughout the year.

Global Water and OCWA to Bring Smartgrid for Water to Canada

GWR Global Water Resources Corp. (TSX: GWR), Global Water Resources, Inc. (Global Water) and the Ontario Clean Water Agency (OCWA) entered into a Memorandum of Understanding (MOU) on February 24th to offer FATHOM™ to existing and prospective clients in Ontario and throughout Canada. FATHOM™ is Global Water's proprietary utility operating system that increases utility revenue, decreases costs and enhances water conservation efforts by providing real-time water consumption data to water utility customers.

Through FATHOM™ and under this MOU, OCWA will have the ability to provide an integrated suite of utility data management tools to its municipal clients to enhance their operational efficiency, save money and save water.
For more details, please visit www.ocwa.com/en/news.

Wastewater Reclamation and Customer Service Centre, at Global Water Resources (GWR) in Phoenix, Arizona

OCWA and Mekorot establish framework for long-term collaboration

OCWA signed a letter of intent for cooperation on February 23rd with Mekorot Israel National Water Company Ltd. (Mekorot) that enables the two organizations to partner on international bid opportunities, exchange information and best practices on innovation, new technology, energy efficiency, automation, data management and analysis, water quality, emergency planning and event management protocols.

"We are thrilled to be collaborating with Mekorot and establishing a framework for shared opportunities to maximize the benefits of our collective and complementary expertise," says Jane Pagel, OCWA's President & CEO. "We both share a strong level of commitment to continuously improving the level of service to our respective clients."

OCWA and Mekorot are currently working to establish one or more exploratory teams in order to further discuss implementation and promote future cooperation.
For more details, please visit www.ocwa.com/en/news.

Left-right: Yossi Shechter, Manager – Northern District, Mekorot; Booky Oren, Chairman & CEO Booky Oren Global Water Technologies; Jane Pagel, President & CEO, OCWA

A tale of two budgets

A look at the latest provincial and federal budgets and what they mean for municipalities and the environment

In the span of roughly 48 hours in late March, Ontarians were left to digest the contents of two separate budgets at the provincial and federal levels. Here's a quick snapshot of some of the highlights of these respective budgets as they pertain to Ontario municipalities and the environment.

2012 Ontario Budget

On March 27, Ontario Minister of Finance Dwight Duncan delivered the province's 2012 budget, titled "*Strong Action for Ontario*". The budget forecasted a deficit of $15.2 billion for 2012-13, $13.3 billion for 2013-14 and $10.7 billion for 2014-15. According to Duncan, the budget is expected to be balanced in 2017-18.

Municipal Infrastructure

- Roads, bridges, water systems and wastewater systems account for about 70 per cent of the replacement value of municipal public infrastructure in the province.

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Water conservation and management is one of the key areas the public-private partnership will focus on. According to Dr. Grahame Farquhar, senior advisor and co-Chair of the Canadian Municipal Water Consortium, this is the kind of investment in technology that municipalities need to support local capital planning efforts. "One of the biggest issues municipalities are facing right now is [water system] infrastructure management and replacement," he said. "Technology resources in the way of scheduling, modeling and managing data will increase the capacity for municipalities to properly sequence infrastructure management and replacement."

- The government is maintaining its commitment to $35 billion in infrastructure spending over three years. While this will help municipalities deal with their most pressing infrastructure needs, there was no commitment announced beyond that period.
- The budget allocation of $683 million for municipal and local infrastructure this year is down from $731 million in the 2011 budget.
- Prior to the budget announcement, Premier Dalton McGuinty said he would cut the creation of a new permanent fund for municipal roads and bridges, announced August 2011 at the Association of Municipalities of Ontario conference.

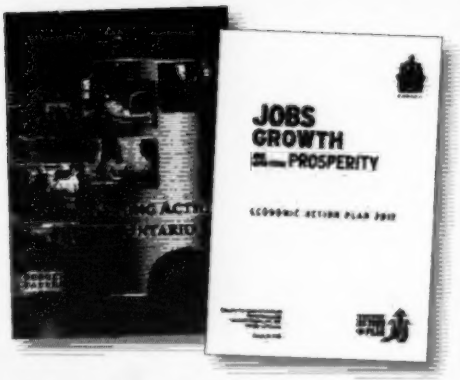
Ontario Municipal Partnership Fund (OMPF)

- The OMPF will be phased down to $500 million by 2016.
- In the coming months, the government will continue its review of the OMPF and seek advice from municipalities on how to meet their needs while remaining within the program's identified parameters.

Provincial Uploading

- This year, the Province began the upload of court security and prisoner transportation costs, building on other provincial initiatives including funding provided through the OMPF and the provincial gas tax program. As a result, the government's support to municipalities has increased to $3.2 billion in 2012, almost three times what it provided in 2003.

Reaction to the budget was varied, depending on which sector or industry was being asked. From an Ontario municipal perspective, Association of Municipalities of Ontario President Gary McNamara said, "We knew this would be a tough budget. However, government spending must be sustainable over the long term to ensure that Ontario communities continue to benefit from effective policing and fire protection, health care services, education, social services and infrastructure."



For more information about the 2012 Ontario Budget, click here.
For more information about the 2012 Federal Budget, click here.

2012 Federal Budget

Finance Minister Jim Flaherty delivered the Canadian government's 2012 federal budget, titled "*Economic Action Plan 2012*" on March 29. The budget forecasts a deficit of $24.9 billion for 2012, falling to $21.1 billion for 2013, $10.2 billion for 2014 and to $1.3 billion for 2015. As a result of expenditure restraints, the budget is expected to achieve ongoing savings of $5.2 billion.

Significant cuts to Environment Canada

- As part of the federal government's efforts to tackle a multibillion-dollar deficit, the 2012 federal budget makes sweeping cuts to Environment Canada's science and technology branch.
- The branch is facing a $7.5 million reduction in spending, which will impact a number of research and monitoring initiatives as well as some longstanding partnerships aimed at promoting a greener economy.
- The budget also outlined cuts of $1.2 million per year to wastewater technology research.

The range of reactions to the federal budget was equally diverse. Armine Yalnizyan, a Senior Economist with the Canadian Centre for Policy Alternatives, said the budget, "...takes us backward in terms of retirement and environmental protection. With the exception of education and water needs for First Nations, it ignores the need to repair our aging infrastructure. The books will be balanced, but we'll all pay the price."

Earth Day Celebrations at OCWA

Sunday, April 22nd, marked the 42nd annual Earth Day – a worldwide celebration to increase awareness and appreciation of the Earth's natural environment.

Several fun and interesting events took place around the province to mark the event, including many within the communities we live and work. There were community clean-ups, free transit rides, organized walks, clothing drives, recycling initiatives – even yoga in the park.

OCWA's own Brantford Hub staff participated in the New Forest in the City initiative, organized by the City of Brantford Parks and Recreation Department and the Brant Tree Coalition. They helped plant trees as part of the city's goal of planting 10,000 trees a year for 5 years in order to create a forest in the city for future generations to enjoy.

OCWA Social Responsibility Team member, Deen Mueller – who also helped organize OCWA's participation – said the day was a great opportunity to demonstrate OCWA's commitment to the communities in which we live and work.

"The dedicated people that work for OCWA really do care about the environment and participating in Earth Day events is just another way of showing it," continued Mueller.

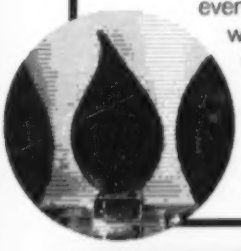
A great day was had by all, with approximately 30 OCWA volunteers taking part in the festivities.

OCWA Jets Operational Challenge Team First Overall at Water Environment Association of Ontario (WEAO) Annual Conference

The OCWA Jets proudly receive their First Place Award – left-right: Norma Linkiewicz (WEAO), Marcel Misuraca, Dennis Rau, Tom Nicol, Michael Paola, Alan Robdrup

The OCWA Jets, based out of Stratford, took first place in four out of five events at the annual conference held in Ottawa from April 22-24.

The Jets placed first in the Safety, Pump Maintenance, Laboratory, and Process events, and were second place in the Collection System event, which was won by Durham Region. Both teams will represent WEAO at October's WEFTEC conference being held in New Orleans.



OCWA's Flangetastic Four – from Georgian Bay – also had a great showing, placing third overall in Ottawa, with the City of London rounding out the top four.

Congratulations to all teams on a job well done!

OCWA Signs with Lake Huron and the Elgin Area Primary Water Supply Systems

OCWA has been awarded a five-year contract to operate the water treatment and transmission systems for the Lake Huron and the Elgin Area Primary Water Supply Systems. These two water systems provide clean drinking water to over 500,000 people within 14 municipalities. The value of the five-year contract is $35.1 million.

"We are excited to be selected to operate and maintain the Lake Huron and Elgin Area water supply systems. We embrace this new partnership with enthusiasm and are looking forward to working with the Boards of Management to jointly provide safe drinking water to the member communities," says Jane Pagel, OCWA's President & CEO.

The new contract begins July 1, 2012.

For further details, please visit: www.watersupply.london.ca/Notice/NRF_ContractAward_OCWA_Jan192012.pdf

OCWA signs 20-year contract with The Lambton Area Water Supply System (LAWSS)

OCWA is pleased to announce the signing - on Friday March 2, 2012 – of a 20-year contract with LAWSS to operate and manage their water supply system. This system supplies the majority of water to Lambton County serving over 100,000 customers and worth $76 million over the term of the contract.

For more information on LAWSS, please visit www.lawss.org.

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